

Boston Herald, December 10, 2001

Two billionaire Saudi families scrutinized by authorities for possible financial ties to Osama bin Laden's terrorist network continue to engage in major oil deals with leading U.S. corporations.

The bin Mahfouz and Al-Amoudi clans, who control three private Saudi Arabian oil companies, are partners with U. S. firms in a series of ambitious oil development and pipeline projects in central and south Asia, records show.

Working through their companies - Delta Oil, Nimir Petroleum and Corral Petroleum - the Saudi families have formed international consortiums with U. S. oil giants Texaco, Unocal, Amerada Hess and Frontera Resources.

These business relationships persist despite evidence that members of the two Saudi families - headed by patriarchs Khalid bin Mahfouz and Mohammed Hussein Al-Amoudi - have had ties to Islamic charities and companies linked financially to bin Laden's al-Qaeda organization. So far, bin Mahfouz and Al-Amoudi, who have denied any involvement with bin Laden, have been left untouched by the U. S. Treasury Department, which has frozen the assets of 150 individuals, companies and charities suspected of financing terrorism.

According to a May 1999 report by the U. S. Embassy in Saudi Arabia, Delta Oil was created by 50 prominent Saudi investors in the early 1990s.

The prime force behind Delta Oil appears to be Mohammed Hussein Al-Amoudi, who is based in Ethiopia and oversees a vast network of companies involved in construction, mining, banking and oil.

Al-Amoudi also owns Corral Petroleum.

The Al-Amoudis' business interests, meanwhile, are enmeshed with the bin Mahfouz family, which owns the third privately held Saudi oil company, Nimir Petroleum.

Nimir was established by the Mahfouz family in Bermuda in 1991, according to the U. S. Embassy report.

The closeness of the two clans is underlined by their joint oil venture, Delta-Nimir, as well as by their partnership in the Saudi firm The Marei Bin Mahfouz & Ahmed Al Amoudi Group of Companies & Factories.

Meanwhile, information continues to circulate in intelligence circles in the United States and Europe suggesting wealthy Saudi businessmen have provided financial support to bin Laden.

Much of it revolves around a 1999 audit conducted by the Saudi government that reportedly discovered that the bin Mahfouz family's National Commercial Bank had

transferred at least \$ 3 million to charitable organizations believed to be fronts for bin Laden's terror network.

U. S. and British authorities also reportedly looked at Al-Amoudi's Capitol Trust Bank in London and New York for similar activities.

After the audit, bin Mahfouz was placed under house arrest in Taif, Saudi Arabia, and Al-Amoudi reportedly replaced him as head of National Commercial Bank.

Some of the Saudi money transferred from National Commercial Bank allegedly went to the Islamic charity Blessed Relief, whose board members included bin Mahfouz's son, Abdul Rahman bin Mahfouz.

In October, the U. S. Treasury Department named Blessed Relief as a front organization providing funds to bin Laden.

"Saudi businessmen have been transferring millions of dollars to bin Laden through Blessed Relief," the agency said.

In 1999, Al-Amoudi's lawyers in Washington, Akin, Gump, Strauss, Hauer and Feld, issued a statement saying, "Al-Amoudi did not know bin Laden and never had any dealings with him" and that the businessman "was unalterably opposed to terrorism and had no knowledge of any money transfers by Saudi businesses to bin Laden."

Despite officials' suspicions, the bin Mahfouz and Al-Amoudi oil companies continue to profit from their working relationship with America's own oil elite. For example:

-- The Mahfouz family, through Nimir Petroleum, joined forces recently with Texaco to develop oil fields in Kazakhstan estimated to contain as many as 1.5 billion barrels of oil.

-- The Al-Amoudi family, through Delta Oil, teamed up with Amerada Hess three years ago to develop oil fields in Azerbaijan. Delta-Hess is also part of a consortium hoping to build a \$ 2.4 billion oil pipeline from Azerbaijan to Turkey.

-- In the mid-1990s, Delta Oil formed a partnership with Unocal in a failed bid to build oil and gas pipelines from Turkmenistan to the Arabian Sea.

-- In 1994, Delta-Nimir, a joint venture of the Al-Amoudi and bin Mahfouz families, joined with Unocal in a consortium to develop three oil fields in Azerbaijan. In 1996, Delta-Nimir and Unocal closed a second oil development deal in Azerbaijan.

(For more info about banking connections, go to bankersalmanac.com.)

Daily News (New York) , November 10, 2001